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APPLICATION OF SOUTHWESTERN § BEFORE THE STATE OFFICE
ELECTRIC POWER COMPANY FOR § OF
AUTHORITY TO CHANGE RATES § ADMINISTRATIVE HEARINGS

ERRATA TO SOUTHWESTERN ELECTRIC COMPANY'S TESTIMONY

Southwestern Electric Power Company (SWEPCO) submits these errata to the Rebuttal Testimony of Charles J. Locke. Redlined and clean copies of the following corrections to Mr. Locke's testimony are attached:

- Page 9, line 15-17: **DELETE** the sentence beginning "Because the netting of load . . . explicit netting provisions."
- Page 10, line 3: **CHANGE** "inconsistent" to "consistent."

SWEPCO will make these errata changes on the record copies of its exhibits offered at the Hearing on the Merits.

Respectfully submitted,

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Patrick Pearsall

**ATTORNEYS FOR SOUTHWESTERN
ELECTRIC POWER COMPANY**

CERTIFICATE OF SERVICE

I certify that a true and correct copy of this document was served by email on all parties of record in this proceeding on April 27, 2021.

Patrick Pearsall

1 by BTM generation. PJM subsequently has expanded participation in its BTM netting
 2 program to include a limited amount of municipal, electric cooperative, and other
 3 utilities who take network service on the PJM system.¹⁹ The California Independent
 4 System Operator's Open Access Transmission Tariff ("CAISO Tariff") provides
 5 another example of an alternative approach for treatment of BTM generation, which
 6 has been approved by FERC. Appendix A of the CAISO Tariff provides that the
 7 Regional Access Charge and the Local Access Charge, which are used to recover the
 8 revenue requirements of transmission owners in California, are assessed to entities with
 9 "Gross Load." In turn, the Gross Load is defined as specifically *including* behind-the-
 10 meter energy generation in excess of onsite demand and specifically *excluding* "Load
 11 of an individual retail customer served by its own onsite Generating Unit or energy
 12 storage device" and "Onsite Load served by a qualifying small power production
 13 facility or qualifying cogeneration facility."²⁰ These explicit netting provisions
 14 provide for an exception to FERC's general policy that Network Load should be
 15 reported inclusive of BTM generation. ~~Because the netting of load served by retail~~
 16 ~~BTM generation and Qualifying Facilities is not established under FERC's general~~
 17 ~~policy, the CAISO Tariff contains these explicit netting provisions.~~ As with PJM's
 18 netting exceptions, it would not be necessary to codify these exceptions in the CAISO
 19 Tariff if they were already established under FERC policy. If FERC's general policy
 20 had been to exclude retail BTM generation from Network Load, there would have been

¹⁹ See generally PJM Interconnection, Inc., 113 FERC ¶ 61,279 (2005) ("PJM 2005 Order").

²⁰ See Appendix A of the CAISO Tariff: Definition of "Gross Load," available at <http://www.caiso.com/rules/Pages/Regulatory/Default.aspx>

no need for PJM or CAISO to request the exception for retail. The fact that requests to FERC were deemed needed by PJM and CAISO, and that FERC accepted them on such basis, is inconsistent with the general policy of including retail BTM generation under Order Nos. 888 and 890 and the granting by FERC of case-by-case exceptions.

Q. HAS SPP SOUGHT APPROVAL FROM FERC OF AN ALTERNATIVE PROPOSAL FOR THE TREATMENT OF BTM GENERATION USED IN THE CALCULATION OF NETWORK LOAD?

A. No.

Q. HAS SPP CONSIDERED SEEKING APPROVAL FROM FERC OF AN ALTERNATIVE PROPOSAL FOR THE TREATMENT OF BTM GENERATION USED IN THE CALCULATION OF NETWORK LOAD?

A. Yes. In 2017, SPP and its stakeholders developed an alternative proposal in Revision Request ("RR")²¹ 241. In RR 241, SPP's stakeholders proposed revisions to Section 34.4 of the SPP Tariff to provide an exception to the reporting requirement for generation behind a retail meter less than 1 MW. However, RR 241 was not approved through the SPP stakeholder process²² and consequently was never submitted to FERC for approval. In 2017 and 2019, SPP staff conducted two stakeholder surveys on this

²¹ Revision Request is a SPP process to make any additions, deletions, or changes to the SPP Tariff, Marketplace Protocols, Operating Criteria, Planning Criteria, Business Practices, Integrated Transmission Planning Manual, Revision Request Process, Reliability Coordinator and Balancing Authority Data Specifications, SPP Communications Protocols, and any attachments and exhibits to these documents.

²² See MOPC Agenda and Background Materials, dated October 17-18, 2017 at Agenda Item 10 posted at: <https://www.spp.org/documents/55018/mopc%20minutes%20and%20attachments%2020171017-18.pdf>.

The MOPC consists of a representative officer or employee from each SPP Member and reports to the SPP Board of Directors. Its responsibilities include recommending modifications to the SPP Tariff. See Southwest Power Pool, Inc., Bylaws, First Revised Volume No. 4 at Section 6.1.

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